

Bafna Pharma to buy J&J brand

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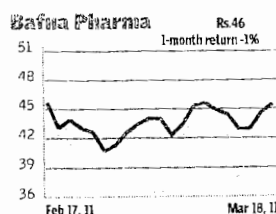
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Chennai-based Bafna Pharmaceuticals Ltd is said to have concluded talks with Johnson & Johnson Ltd to acquire one of the brands of the latter.

It is learnt that the BSE-listed Bafna has been making the drug for Johnson & Johnson for some years now. Bafna is expected to pay close to Rs 30 crore for the brand acquisition.

Officials of Bafna Pharma were not available for comment. An email sent to them seeking confirmation of the development also did not elicit response.

However, a source close to the development told *Business Line* that the acquisition of the brand — the drug was described as “very popular” and one that “has been in the market for over thirty years”— would mark the entry of the Rs 100-crore Bafna into the domestic market



with its own products.

Bafna has two plants in Chennai, one of which is a 100 per cent EOU, which is also approved by the authorities in the European Union, the UK and Australia to manufacture products meant for sales in their countries. The company is a player in contract research and manufacturing (CRAM) and, according to its Web site, seeks “strategic partnerships and global research projects in developing, testing and validating new pharmaceutical formulations.”

The Web site also says that the company targets to achieve a turnover of Rs 500

crore by 2013.

The brand that is to be acquired from Johnson & Johnson sells about Rs 12 crore a year “without any marketing support”, the source said.

The source also hinted at more brand acquisitions for which Bafna might raise funds from PE investors.

On Friday, on the Bombay Stock Exchange, Bafna Pharma closed at Rs 45.80.

Johnson & Johnson, the US-headquartered multinational, known for its consumer healthcare products, such as Band-aid and Cleartrip, medical devices used in clinics and at surgeries and contact lenses, also makes drugs.

Sources say that Johnson & Johnson has been less keen on selling drugs in India after the Bombay High Court upheld in 2008 an order of National Pharmaceutical Pricing Authority that directed Johnson & Johnson to deposit Rs 35 crore for over-pricing a blood-enriching drug.

Industry